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**WRITTEN TESTIMONY
Appropriations Committee
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Deputy Comptroller Martha Carlson

Good Morning Senator Harp, Representative Walker, Senator Kane, Representative Miner and members of the Appropriations Committee. For the record, I am Deputy Comptroller Martha Carlson. I am here this morning to address the Governor's Biennial Budget for FY 2012 and FY 2013 as it pertains to the Office of the State Comptroller (OSC) and Miscellaneous Accounts administered by the OSC.

I am confident that our agency can maintain its current operations with the budget that has been proposed for our agency. With respect to longer-range projects, OSC staff stands ready to assist in the proposed transition to the use of Generally Accepted Accounting Principles (GAAP) and we are currently preparing for the routine upgrade of our CORE-CT software to the current version available.

OSC's capacity to analyze and disseminate information on the state budget has risen exponentially, while at the same time our agency staffing levels have decreased, from 289 in 1995 to 269 today. OSC has delivered an unprecedented level of budget data to the legislature and Office of Policy and Management (OPM) and enhanced citizens' access to information on the state budget.

By building on a number of technology initiatives undertaken by the previous Comptroller, we are saving the state millions of dollars and increasing government efficiency and transparency. One such initiative is ePay, currently a pilot program we've launched in partnership with the Department of Administrative Services (DAS) that will eventually transition all state employees' pay advices from paper to digital statements accessed online. This program will be expanded to state retirees as well, and is poised to not only bring significant savings but also greater government efficiency.

Our agency has also been rolling out self service digital time entry to agencies. Currently, 24 agencies representing over 7000 employees have been transitioned from paper to electronic time sheets. While

this program is expected to yield long-term cost savings, its more immediate time benefits include increased government efficiency and ease of data collection.

OSC has been working with the Office of Fiscal Analysis to create the online searchable database for state expenditures as mandated by Public Act 10-155. The database will provide greater government transparency in affording the public the opportunity to access information on government spending, including information on state contracts and grants.

In addition, we are aggressively pursuing direct deposit for all vendors. The initiative has saved over \$87,000 this fiscal year alone.

I would, however, like to note that if the biennial budget passes as drafted, it will necessitate additional resources to accomplish what our agency will be charged to do. The proposed biennial budget would transition the legislative and judicial departments, as well as the constituent units of the state system of higher education, to the CORE-CT system, as well as to consolidate a number of government agencies. Should all of these changes occur, it will require significant programming and configuration work by the CORE-CT staff. We are in the process of developing a business plan to quantify the additional resources that will be needed.

Further, the biennial budget significantly reduces the amounts in our active and retired health care miscellaneous accounts, which we will be closely monitoring as we continue to move into our self-insured environment. We continue to work with the Healthcare Cost Containment Committee on savings initiatives, including medical homes and joint purchasing of pharmacy.

One final item: historically the OSC has paid all adjudicated claims from the fund balance of the General Fund without any dedicated appropriation. The Governor's budget has for the first time appropriated the fixed amount of \$4,000,000 to this account in each of the fiscal years in the biennium. Over the past five years, total claims have ranged anywhere between \$3.8 million and \$15 million. If the claims surpass the appropriation, the account will go into deficiency. This would not however delay any court-ordered payment.

Thank you for your consideration. I am happy to answer any questions.